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Room 222  
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OFFICE OF THE SECRETARY

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Honorable John Tanner  
House of Representatives  
1232 Longworth House Office Building  
Washington, D.C. 20515-4208

Dear Congressman Tanner:

Chairman Alfred C. Sikes has asked that I respond to your letter on behalf of the Tennessee Sheriffs' Association regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls. You ask that the Commission give full consideration to the views of the Tennessee Sheriffs' Association that any billed party preference proposal should exclude the provision of telephone service to correctional facilities.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls

without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. Enclosed is a news release regarding this matter. We will incorporate your letter in the record of this proceeding so that it may be accorded proper consideration by Commission staff.

Sincerely,

Cheryl A. Tritt  
Chief, Common Carrier Bureau

Enclosure

JOHN TANNER

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August 13, 1992

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Honorable Alfred C. Sikes  
Chairman  
Federal Communications Commission  
1919 M Street, N. W.  
Washington, D.C. 20554

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LEGISLATIVE AFFAIRS

CCPA


Dear Chairman Sikes:

I have recently been contacted by the Tennessee Sheriffs' Association expressing deep concern over the FCC's proposal to implement Billed Party Preference routing of all "0+" interLATA calls. Like many others involved in the administration of correctional facilities, the Sheriffs of Tennessee believe Billed Parties Preference would destroy out ability to properly manage inmate telephone service. Moreover, the proposal could increase the amount of telephone fraud perpetrated by inmates.

The Telephone Operator Consumer Services Improvement Act of 1990 and the FCC's regulations exempt inmate telephone service because of the obvious need to curtail inmate phone abuse. However, the Tennessee Sheriffs' Association is unsure whether the Commission intends to exclude inmate services from it's Billed Party Preference proposal. The Association believes Billed Party Preference would reduce the ability of correctional facilities to obtain special services from inmate phone providers, such as blocking, number searching and selective call restrictions. In addition, they feel it would diminish the increased security control provided by specialized inmate telephone service providers. Therefore, the Tennessee Sheriffs' Association believes that any Billed Party Preference plan should exclude the provision of telephone service to correctional facilities.

Please give the views of the Tennessee Sheriffs' Association full consideration. I would appreciate any information which you may be able to provide my Washington office regarding the FCC's intentions.

Sincerely,

  
John Tanner, M. C.

JT/vlw